



Immigration, Refugees
and Citizenship Canada

Immigration, Réfugiés
et Citoyenneté Canada

Deputy Minister

Sous-ministre

Ottawa K1A 1L1

F-1176222

MEMORANDUM TO THE MINISTER

RESPONSE TO THE PROFESSIONAL INSTITUTE OF THE PUBLIC SERVICE OF CANADA'S POLICY GRIEVANCES REGARDING IT-RELATED CONTRACTS

FOR APPROVAL

SUMMARY

- The purpose of this memorandum is to seek your approval of a proposed response to a letter and report sent to you by Debi Daviau, President of the Professional Institute of the Public Service of Canada (PIPSC). The incoming letter (see Annex A) and the report (see Annex B) are attached.
- The letter raises concerns regarding IT-related contracts for work that the union felt should have been carried out by members of the Computer Systems (CS) group. This includes an analysis of the policy grievances submitted against Immigration, Refugees and Citizenship Canada (IRCC) between January 2018 and March 2020, with respect to article 30 of the CS collective agreement.
- We recommend that you approve and send the proposed response (see Annex C) to Debi Daviau, thereby advising her that this matter has been referred to the Department. Please indicate your approval by checking the "I concur" box below and signing this memorandum by June 11, 2021.

BACKGROUND:

- On April 26, 2021, Debi Daviau, President of the PIPSC, wrote to your office regarding outsourced work that the union felt should be carried out by members of the CS group. This included an analysis of the policy grievances submitted against IRCC between January 2018 and March 2020.
- Since 2019-2020, on a quarterly basis, PIPSC requests information on all IT-related contracts within the Department for work belonging under the CS bargaining unit. The Department reports on and formally responds to these requests.

CURRENT STATUS:

- Pursuant to Article 30 of the CS collective agreement, the Department makes every reasonable effort to ensure that it uses CS employees, wherever and whenever most

Canada

appropriate, before contracting out work. The agreement between Treasury Board and the PIPSC is current through December 21, 2021.

- Article 30 – Contracting Out stipulates:
 - 30.01: The Employer shall make a reasonable effort to use existing employees or hire new indeterminate or term employees as needed before contracting out work described in the Bargaining Certificate and the Group Definition. However, to meet operational requirements, public service managers may choose to contract professional services in certain circumstances instead of making an appointment pursuant to the *Public Service Employment Act*.
 - 30.02: The Employer will continue past practice in giving all reasonable consideration to continued employment in the public service of employees who would otherwise become redundant because work is contracted out.
 - 30.03: When work is contracted out due to technological change, the provisions of Article 23 shall apply upon the implementation of the new technology.
(Under Article 23, while both parties recognize the overall advantages of technological change, the Employer will seek ways and means of minimizing adverse effects on employees which might result from such changes.)
 - 30.04 Communication: Through Labour Management Consultation Committees, or through another forum as agreed upon by both parties, departmental and PIPSC representatives shall meet to discuss and exchange on issues associated with contracting out, such as but not limited to, the influence on working conditions, complexity of tasks, information on contractors in the workplace, future resource and service requirements, skills inventories, knowledge transfer, position vacancies, workload, and Managed Services.
 - 30.05 Workforce adjustment: Employees potentially affected by an anticipated workforce adjustment shall be retained in preference to the continuation of a contractor provided the employee is capable of performing the necessary work.
- Departmental representatives meet regularly with PIPSC through Labour Management Consultation Committees (LMCC) to address any issues or concerns related to the CS agreement and provide additional information on:
 - launched and ongoing CS staffing processes and inventories;
 - acting appointments, assignments and secondments offered;
 - participation in the Co-op and Federal Student Work Experience Program, and the hiring of former CS students;
 - the use of GCconnex and recruitment events to hire existing CS employees; and
 - reskilling and retooling efforts within the sector.
- The next National Headquarters LMCC meeting is scheduled on June 3, 2021.

COMMUNICATIONS IMPLICATIONS:

- This issue has not yet received social or traditional media attention. Once a response is provided by the Department, media attention is not likely but possible if the letter is shared by the recipient.

- A responsive, low-profile approach is recommended with any media inquiries on a case-by-case basis. Media responses would highlight ongoing efforts to reskill and retool our workforce as well as explain the staffing process and challenges in the CS cadre.

RECOMMENDATION:

- We recommend that you approve and send the proposed response (see Annex C), thereby advising the PIPSC President that this matter has been referred to the Department. Please indicate your approval by checking the “I concur” box below and signing this memorandum by June 11, 2021.

NEXT STEPS:

- Should you approve, the Department will prepare a subsequent response to Debi Daviau to provide reassurances that every effort is made to use CS staff for work that should be done by public servants. It will outline metrics with regards to the number of processes run and CS employees hired, via staffing mechanisms; challenges in staffing the CS cadre, particularly in scarcity groups; as well as ongoing efforts to reskill and retool our workforce.

e-approved on June 28th, 2021

Caroline Xavier
Associate Deputy Minister

e-approved on June 30th, 2021

Catrina Tapley
Deputy Minister

☐ I concur

☐ I do not concur

The Hon. Marco E.L. Mendicino, P.C., M.P.
Minister of Immigration, Refugees and Citizenship

Annexes (3):

A: Incoming letter to IRCC Minister from Debi Daviau, President PIPSC

B: Contracting Out Report from Debi Daviau, President PIPSC

C: DRAFT Letter from Minister Mendicino to Debi Daviau, President of PIPSC



The Professional Institute
of the Public Service of Canada
Office of the President

L'Institut professionnel
de la fonction publique du Canada
Bureau de la Présidente

April 26, 2021

The Honourable Marco E. L. Mendicino, P.C., M.P.
Minister of Immigration, Refugees and Citizenship
365 Laurier Avenue West
Ottawa ON K1A 1L1
By email: Minister@cic.gc.ca

Dear Minister Mendicino,

I am writing on behalf of hundreds of Immigration, Refugees and Citizenship Canada (IRCC) Information Technology specialists represented by the Professional Institute of the Public Service of Canada (PIPSC) regarding the contracting out of the work performed by members of our Computer Systems (CS) Group.

Our representatives have prepared the attached report, "Contracting Out of IT Work at Immigration, Refugees and Citizenship Canada", an analysis of the policy grievances submitted against IRCC between January 2018 and March 2020 for outsourcing of government work that could have been done internally.

The data within demonstrates how the Department is not following Article 30 of the CS Collective Agreement, which stipulates that the employer must make a reasonable effort to use existing employees or hire new full-time or term employees as needed before contracting out work to private companies or consultants.

This report demonstrates that IRCC is the worst Canadian government Department with regards to adherence to Article 30. The length of time and the sheer number of contractors at IRCC in a position to do work that is established as permanent is staggering. In particular, our research shows a high amount of contracting out involving application support. This is important and non-temporary work that should undoubtedly be performed by public service professionals.

This is an issue of critical importance not only to our members and their public service colleagues, but to the Canadians they serve on a daily basis. Outsourcing results in higher costs, lower quality services, less transparency, less accountability and the loss of institutional knowledge and skills.

I thank you for your immediate attention to this matter and look forward to your response.

Sincerely,

Debi Daviau,
President, PIPSC

cc : Catrina Tapley, DM, Immigration, Refugees and Citizenship Canada (catrina.tapley@cic.gc.ca)



CS GROUP
The Professional Institute of the Public Service of Canada
Contracting Out Report
2021

Contracting out of IT work at
Immigration, Refugees and Citizenship
Canada

April 2021
Eva Henshaw
CS Group Executive Member
Contract Out Action Team Member

The PIPSC Computer Systems (CS) Group is working hard to enforce Article 30 of their collective agreement. This article stipulates that the employer must make a reasonable effort to use existing employees or hire new full-time or term employees as needed before contracting out work to private companies or consultants. Hiring consultants to complete government IT work has a high cost and contributes to the erosion of institutional memory. Unfortunately, despite the new collective agreement language, contracting out of important government work is still ongoing at almost all departments in flagrant disregard to Article 30.

The most problematic department of the federal public service with regards to contracting out is Immigration, Refugees and Citizenship Canada (IRCC). This report analyzes the policy grievances submitted against IRCC between January 2018 and March 2020 for outsourcing of government work that could have been done internally. The data demonstrates how this department is not following the collective agreement.

The CS Group, Article 30 and the Contracting Out Action Team

The CS Group represents approximately 17,319 federal public sector Information Technology (IT) workers employed by the Treasury Board of Canada. There are CS members working in 62 federal departments, in every Canadian Embassy and supporting operational missions worldwide for the Department of National Defence and the Canadian Space Agency.

Information Technology has evolved in the workplace and is required to support all ranges of professions in today's society. The workings of the federal government and all Canadians rely on the systems and software that is researched, managed and maintained by CS members. CS members not only protect the systems but data that they hold as well. The scope and importance of CS work has grown at an exceptional rate; the same rate at which technology changes in our world today. CS members provide support services, architecture and application development, infrastructure operations, database and project management and creation of specialized systems. CS Group members can be found in a variety of places; from IT help desks to artificial intelligence business solutions initiatives.

Table - Distribution of CS Members by Department – Departments with 300 or more CS employees as of March 31, 2018

Department/ Ministère	Number of members
Shared Services Canada/ Services partagés Canada	3,595
National Defence/ Défense nationale	1,904
Employment and Social Development Canada/ Emploi et Développement social Canada	1,454
Statistics Canada/ Statistique Canada	789
Public Services and Procurement Canada/ Services publics et Approvisionnement Canada	650
Canada Border Services Agency/ Agence des services frontaliers du Canada	624
Global Affairs Canada/ Affaires mondiales Canada	455
Environment and Climate Change Canada/ Environnement et Changement climatique Canada	378
Health Canada/ Santé Canada	371
Correctional Service Canada/ Service correctionnel Canada	352

Innovation, Science and Economic Development Canada/ Innovation, Sciences et Développement économique Canada	342
Immigration, Refugees and Citizenship Canada/ Immigration, Réfugiés et Citoyenneté Canada	327
Fisheries and Oceans Canada/Pêches et Océans Canada	300

During the 2014 round of collective bargaining negotiations, PIPSC focused on improving some issues specific to the CS Group; outsourcing of public service work, the role of CS members to preserve institutional knowledge and skills in technological change and addressing the problem Departments were experiencing in recruiting and retaining qualified IT professionals. Article 30 of the CS Group collective agreement, titled "Contracting Out", was modified.

The Contracting Out Action Team

In order to ensure that the new Article 30 language was being respected, the CS Group formed the Contracting Out Action Team (COAT). The COAT reviews every IT-related contract published by departments employing CS Group members. After reviewing and seeking information on whether or not the department followed the requirements of the collective agreement, the COAT decides whether or not a policy grievance should be placed against the Government with regards to each contract. Since launching in January 2018 through to September 2020, the team has looked at over 1850 service offers and contracts.

The CS Group analyzed a total of 276 tenders or contracts. The group inquired by email about 268 of these tenders or contracts, asking the department to describe the reasonable effort that was carried out to respect the outsourcing provisions of the collective agreement. The insufficient responses received from IRCC led the group to file 247 policy grievances against the department. This is the highest number of grievances for any one department that our Contracting Out Action Team has had to file

A refusal to disclose

The CS Group received only 169 responses out of the 268 inquiries, including many insufficient responses. This led the group to file a total of 247 grievances for contracting out during the studied timeframe. From the responses that were received, IRCC stated the following reasons to contract out:

- no skill set in-house to carry out the work
- recruitment and retention issues within the field of CS work
- the timeline to hire regular staff is too long to meet the deadlines of the work
- the augmentation of staff with contractors is necessary
- no funding of public servant positions

Outsourcing means higher cost, lower quality services for Canadians – less transparency, less accountability, and the loss of institutional knowledge and skills.

Lack of training – part of the problem

The lack of in-house skill set was the most frequent reason for contracting out. It is PIPSC's position that it is the department's responsibility to ensure that proper, timely training is received by the CS members in order to meet not only present requirements, but also any future technological demands required to support public services. Investing in employees is a cost-effective way of ensuring institutional knowledge and skills are maintained and the department is able to keep up with the ever-changing demands of technology. The amount of funding available to ensure proper training is delivered is a direct responsibility of the department when developing annual budgets.

High cost of outsourced work

Of the tenders and contracts examined, 9 were described as tier 1 contracts, meaning the cost could be anywhere up to \$3.75 million each. The value of the remaining contracts that we were able to find among these tenders totaled **over \$115 million**.

Recurring needs should be staffed with permanent positions, not contracted out

Although 39% of the contracts were for a 1-year period, 18% of contracts had renewal clauses that could renew the contract 1 to 3 times, each for additional 1-year terms.

Far too many contracted out personnel

Approximately 270 contractors were sought out in these tenders during this timeframe, or 270 personnel resources. It's evident that this high number shines a light on IRCC's shortage of necessary IT staff to carry out public service work. The types of work most sought after by this department during this period were IT architects, analysts and programmers. Other types of CS work highly contracted out were project managers, security, consultants, help desk and network support.

Insufficient staffing efforts at IRCC

From November 2017 until March 2020, the amount and types of advertising to fill positions within IRCC were examined on the Government of Canada job site.

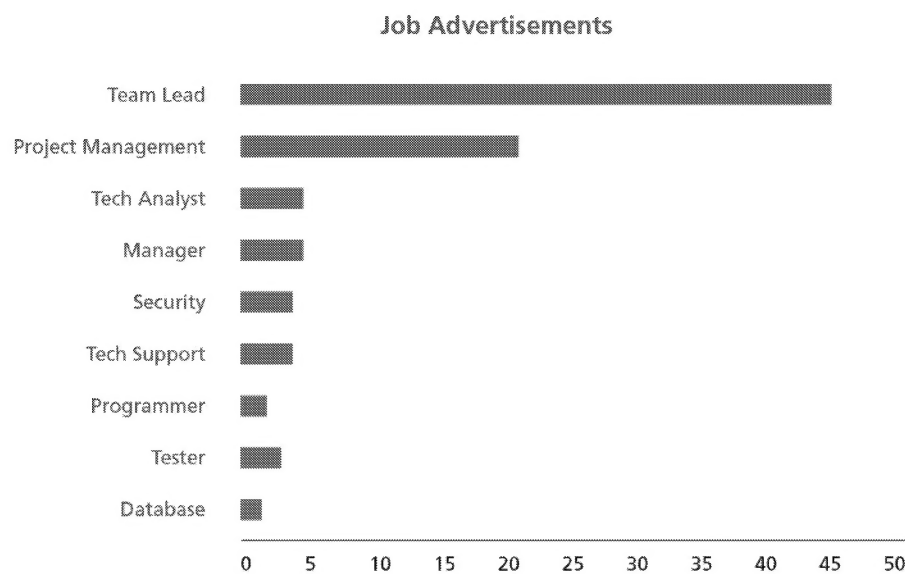
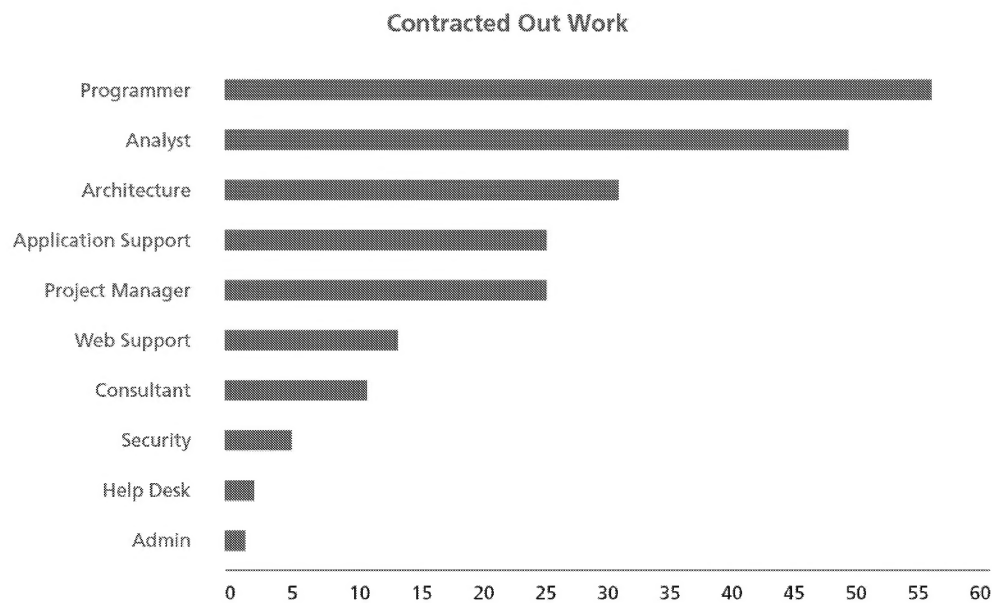
During this timeframe, the department advertised 25 times seeking approximately 85 personnel mainly for Team Leaders, Project Managers and Analysts. 85% of these advertisements were for the CS-03 levels.

Only 14 of the advertisements were advertised to the public, of which 10 of those were at the CS-01 level. Most CS-01 public advertisements were for casual employment (non-unionized employment at the department for 90 days maximum per year). It is clear that the department does not see staffing with regular permanent or term positions as a way to reduce the number of contracted resources, which would ensure that public service professionals are carrying out the ongoing and recurring work required by IRCC.

The following charts give us a clear picture that IRCC did not attempt to staff jobs with permanent or term employees. It preferred to contract out for specific skill sets in violation of Article 30. For example, during the studied timeframe, IRCC contracted out approximately 56 programmer resources, while seeking regular permanent or term employees through only two advertisements for the same type of work at the CS-01 level. PIPSC sees the volume of

contracted resources that are constantly working for the department as too high. There were 270 contractors during this period, while IRCC sought out only 23 permanent public service professionals.

It is clear that Immigration, Refugees and Citizenship Canada is not trying to make reasonable efforts to hire permanent or term employees to complete required work in the department.



The collective agreement must be upheld

IRCC uses standing offers as a contracting out vehicle more than any other department. Standing offers are kept current through Public Services and Procurement Canada, and allow departments to go directly to a company for services while keeping within a specified dollar value for those services. This makes it very easy for departments to contract out work with less effort than going through a bidding process. It is evident that IRCC is making little or no reasonable effort to hire before contracting out as required by the CS collective agreement. The number of grievances filed against IRCC is very high and causes unnecessary work for both PIPSC and the Treasury Board of Canada Secretariat.

The data shows us that IRCC prefers to contract out IT work on a continuous basis, as observed on Canada's Proactive Disclosure website. The length of time that contractors are completing work that is established as permanent, as well as the sheer number of contractors working at IRCC, is staggering. In particular, there is a high amount of application support work being contracted out. Application support is one area that should be carried out by public service professionals in order to ensure corporate knowledge is maintained within the public service. The work is not temporary in nature, and it is of high importance.

Although this report does not look at training, PIPSC sees IRCC as a department that should be training their employees in order to meet the future demands of the government. This may help to reduce its reliance on contracting out.

The result of this internal report solidifies why IRCC is the department within the Government of Canada with the highest number of grievances for Article 30 of the Computer Systems Group collective agreement. PIPSC is dedicated to bringing these matters to light and using the means necessary to ensure that the collective agreement is adhered to by all departments and agencies.

Debi Daviau
President
Professional Institute of the Public Service of Canada
ddaviau@pipsc.ca

Dear Ms. Daviau:

Thank you for your letter and report, dated April 26, 2021, regarding work performed by members of the Computer Systems Group and IT-related contracts.

As this is a departmental matter, I have referred this matter to Catrina Tapley, Deputy Minister of Immigration, Refugees and Citizenship Canada.

Rest assured that strengthening the working relationship between IRCC and PIPSC is important. We will continue to make every effort to work with you and your membership to ensure that the requirements of the Computer Systems Collective Agreement are respected.

Yours sincerely,

The Honourable Marco E.L. Mendicino, P.C., M.P.
Minister of Immigration, Refugees and Citizenship

c.c.: Catrina Tapley, Deputy Minister, Immigration, Refugees and Citizenship
Canada